

**MOTION 2020-09:
A MOTION OF THE PORT OF SEATTLE COMMISSION**

to authorize short-term changes to the 2020-2024 Capital Improvement Plan in response to the COVID-19 pandemic; to provide direction for interim actions related to ongoing construction and deferred capital projects and readiness to aid recovery; and to delegate authority to the Executive Director to execute change orders for costs that exceed \$300,000 related to construction and enhanced worker safety on Port construction sites due to the COVID-19 pandemic.

**ADOPTED
APRIL 28, 2020**

INTRODUCTION

The COVID-19 global pandemic is an unprecedented public health emergency that impacts the lives of everyone in the region and state. The Port of Seattle’s top priorities during this difficult time are keeping employees, tenants, concessionaires, contractors, workers, customers, travelers and residents safe, while simultaneously strengthening our critical aviation and maritime infrastructure to support jobs, small and diverse businesses, and environmental sustainability.

Port capital projects, as an important part of the essential transportation sector, are authorized to go forward under Governor Inslee’s “Stay Home, Stay Healthy” proclamation. The entire region will benefit by the Port’s continuation and acceleration of infrastructure projects despite the challenges of the pandemic. To implement this approach, the Port of Seattle must update its five-year, \$3.4 billion capital improvement plan (CIP), and make these capital investments in a responsible, transparent manner that protects worker safety and health, while accommodating increased costs due to worker safety measures.

The Commission and the Executive Director will continue to evaluate and adjust the Port’s capital construction efforts as new information becomes available. These immediate decisions will provide certainty to the Port’s partners and support regional economic recovery. Long-term capital decisions will be part of the Port’s annual budget process later this year.

TEXT OF THE MOTION

The Port of Seattle Commission hereby provides the following direction to Port leadership:

- 1) The Commission authorizes the implementation of the Executive Director's proposed changes to the 2020-2024 Capital Improvement Plan (CIP), as presented during the April 14, 2020 study session on this topic, see Attachment A.

The Executive Director shall present any additional changes to the CIP to the Commission as part of the 2021 budget process.

- 2) The Executive Director shall regularly evaluate the status of deferred capital projects as appropriate based on funding availability, changes in health and safety guidance or other factors that may allow projects to proceed. The Commission shall be informed of decisions to revise status of projects.
- 3) The Executive Director shall take steps to implement the Commission's February 26, 2020 action to create a strategy and determine resource needs to accelerate the sound insulation program and to resume progress after all phases of the Governor's proclamations are lifted, pending funding availability.
- 4) The Executive Director shall temporarily delay the new proposed Cruise Terminal Project while staff evaluates the COVID-19 Alaska cruise industry impacts, see Attachment B. Staff will return to the Port Commission in Q4 2020 with a report on the status of the industry and recommendations on resumption of the Cruise Terminal Project.
- 5) The Executive Director shall work with the Northwest Seaport Alliance to consider short-term uses and interim options for Terminal 46 that serve the region and generate Port revenue. Such uses shall not preclude the option to build a new cruise terminal.
- 6) The Port Commission delegates authority to the Executive Director under Section 4.2.3.8 of the General Delegation of Authority to execute change orders on contracts related to enhanced worker safety on Port construction sites due to the COVID-19 pandemic for costs that exceed \$300,000, including change orders that exceed the Commission budget authorized amount for a particular project.

This delegation of authority will remain in effect no longer than 60 days following the expiration of all phases of the Governor's applicable stay-at-home, social distancing, and similar proclamations, orders, and guidance documents that affect construction.

The Executive Director, or delegate, shall notify the Commission via email of such change orders on a monthly basis. All change orders executed under the authority granted in this motion shall be summarized for review in public session on June 23, 2020 and on September 8, 2020, and once every other month thereafter as necessary.

STATEMENT IN SUPPORT OF THE MOTION

In support of CIP changes

The Port of Seattle is a major regional economic driver. It owns and operates vital infrastructure for trade and commerce necessary to facilitate recovery across the state.

On April 1, 2020, the Port of Seattle Commission passed a motion to support and guide the Executive Director's evaluation and prioritization of recovery actions to restore, sustain and maximize our aviation and maritime operations in response to the COVID-19 pandemic and ensure swift regional economic recovery.

On April 14, 2020, the Port Commission was briefed on the Executive Director's proposed short-term decisions to proceed with the CIP primarily based on:

1. Safety, security and regulatory compliance
2. Alignment with core operational needs
3. Creating jobs and maintaining employment
4. Environmental benefits
5. Grant opportunities
6. Consultation with other major public owners

The list of projects in Appendix A reflect the Port's Commission feedback received during the April 14 study session. The Commission will revisit additional adjustments to the CIP as part of its regular annual budget process, which will begin in June of this year.

In support of worker safety

COVID-19 is recognized as a serious health and safety issue for construction sites. To enhance worker safety across all projects, the Port directed contractors to provide updated jobsite health and safety plans to address public health measures to prevent the spread of COVID-19. The Port temporarily suspended 20 construction projects to review the updated health and safety plans. The Port continues to review safety plan amendments from contractors and track evolving changes to public health guidance and best practices and may take additional actions if necessary.

To maintain jobsite safety the Port has provided additional guidance to apply best practices to make Port construction sites safer. To assist contractors the Port is:

1. Paying to help contractors stagger shifts
2. Helping fund a full time COVID-19 safety supervisor for each project
3. Helping cover the purchase of mobile hand washing stations
4. Assist with the purchase of additional tools to limit tool-sharing
5. 50% of direct costs related to COVID-19

Change Orders

The Port recognizes that increased health and safety requirements for jobsites will result in higher costs for contractors. Change orders associated with safety plans, evolving regulatory

requirements and the dynamic economic situation are anticipated to deliver essential Port infrastructure and serve the Port's mission.

Transparency is an important value in Washington State and for the Port of Seattle Commission especially during this COVID-19 pandemic. The Commission will continue to receive timely updates on significant change orders and will continue to steward our public funds in a responsible and transparent manner. The public will have the opportunity to review a summary of the change orders in a timely fashion, while also prioritizing safety for our employees, workers, contractor staff, and others on our unique job-sites.

ADDITIONAL INFORMATION ATTACHED

Attachment A: April 14, 2020 CIP Study Session Powerpoint

Attachment B: Cruise Project Changes